CCH5

September 3, 1930.

Circular Letter No. 22.

Subject: LOANS TO TEACHERS.

To Supervisors of Schools.-

Ladies and Gentlemen:

At its last session the Legislature passed a law authorizing the Teachers Pension Board to establish each year a Loan Fund for the teachers of Porto Rico. A Loan Committee composed of the Commissioner of Education, the President of the Teacners' Association and the Secretary of the Pension Board was created to govern the Loan Fund. The Pension Board has set aside for this purpose the sum of $100,000.00.

In accordance with the provisions of said law any teacher may apply to the Loan Committee for a loan not greater than the amount of his monthly salary, but he shall bind himself to repay it in full during the school year by means of monthly deductions from his salary. At any time before the expiration of the term of an obligation, the Loan Committee may declare it due should there be sufficient reason to believe that the borrower is about to resign or to be separated from the service. In such case the amount of the debt, or the sum still due, shall be deducted from the salary of the debtor. No teacher who resigns or leaves the service without wholly paying a debt, or part thereof, may return to the service as a teacher or otherwise until he has paid the amount of his debt to the Loan Fund.

The borrowing teacher shall sign an obligation for the total amount requested, from which interest shall be deducted in advance at the rate of 6 per cent a year. In said obligation he shall state that the loan is contracted in good faith, and shall promise not to resign until after the obligation is extinguished. The amount of the obligation shall be deducted in monthly installments from the teacher's salary, according to the terms of the loan, by the Commissioner of Education.

As long as an obligation remains unpaid, when leave of absence is granted to the borrower, the amount for the period of his absence shall be deducted from his salary; and should be absent himself for the purpose of resigning, the total amount of his debt shall be deducted, or as much thereof as his salary will cover.

Please see to it that your teachers become familiar with the provisions of the Loan Act.

Under separate cover we are sending you a supply of application blanks for loans, to be distributed to teachers as the need arises.

The Loan Committee will not consider applications from teachers who are on leave of absence without pay, or who have already contracted another loan with the Government Employee's Association. If you know of any applicant who intends to resign, you should advise us.

After the applications have been properly filled out please sign them and send them to the Loan Committee, Department of Education.

The Loan Committee will meet about the middle of each month for the purpose of examining loan applications and approving those that deserve favorable consideration. Please gather together all appplications that you may have ready and forward them in time for consideration of the Committee at its monthly meeting.

Very truly yours,

(Signed) JOSE PADIN
Commissioner of Education.

mb.-